

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6782

BILL NUMBER: HB 1561

NOTE PREPARED: Jan 20, 2005

BILL AMENDED:

SUBJECT: Golden Hoosier Discount and Passport Cards.

FIRST AUTHOR: Rep. Dodge

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Golden Hoosier Discount Card Program within the Division of Disability, Aging, and Rehabilitative Services. The bill allows residents who are at least 60 years of age or disabled to obtain a Golden Hoosier Discount Card and obtain discounts from participating organizations. It specifies that a resident who is eligible for a Disabled Veteran License Plate may not be charged a fee for a Golden Hoosier Passport. It also makes technical changes.

Effective Date: July 1, 2005.

Summary of Net State Impact: The Golden Hoosier Discount Card Program would cost the state approximately \$3 M in initial expenditures. This money would fund public relations, media campaigning, marketing, applicant cards, and initial staff needed to implement the program. Expenditures for the state to maintain the program will be approximately \$150,000 annually.

Revenue collected from the sale of the Golden Hoosier Passports fund operations of the Department of Natural Resources (DNR). The DNR would experience a loss of approximately \$119,436 in revenue as a result of this bill.

Explanation of State Expenditures: *Discount Card:* Startup costs for the Golden Hoosier Discount Card Program are estimated to be \$3,076,000. This estimate is based on the experiences of the state of Ohio in implementing and administrating the Golden Buckeye Program. The program would cost approximately \$150,000 annually thereafter to maintain it.

Background Information: The Golden Buckeye Program was implemented in 1976 before businesses and the

AARP began to routinely offer senior discount programs. The Division of Disability, Aging, and Rehabilitative Services (DDARS) anticipates developing a program similar to the Golden Buckeye Program. Based on Ohio's experience, it is estimated that as many as 25,000 businesses may participate in the program. It is also estimated that approximately 1,711,000 individuals would be eligible to receive the Discount Card.

The bill specifies that the Golden Hoosier Discount Card is to include discounted entrance fees at Indiana State Parks, recreation areas, reservoirs, forests, historic sites, museums, memorials, and other state properties at which a fee is charged for admission. The Department of Natural Resources runs the Golden Hoosier Passport Program (I.C.14-19-3-4) which provides a 50% discounted annual pass for persons age 65 and over and persons eligible for Social Security Disability payments. Depending on the discount arrangement with the Golden Hoosier Discount Card Program, the Department may experience some revenue loss due to one-time admissions to persons not wishing to purchase an annual pass or the expansion of the existing discount program to younger persons. Administrative actions taken with regard to how the two discount programs are combined and how the expanded eligibility for the Golden Hoosier Passport is implemented will determine if the Department of Natural Resources would need additional resources to implement the provisions of this bill. It is not known if the Department could absorb any additional cost.

The DDARS estimates that 18 additional employees would be needed to implement this program. Two positions at the Division would be responsible for managing and coordinating the program. Additionally, one position would be located in each of the 16 Area Agencies on Aging. These employees would be responsible for contacting businesses to participate in the program and helping to determine the discount, as well as taking applications and issuing the Golden Hoosier Discount Card. The cost of salaries, fringe benefits, and indirect costs for these employees is estimated to be approximately \$850,000 for one year.

Following this, the DDARS reports that it would need one staff, located at the Division, to maintain the program. The estimated salary for this employee is \$30,000 plus benefits.

Public relations, marketing, and a media campaign are estimated to cost \$515,000 initially, and approximately \$100,000 annually following implementation. A high-end estimate for developing and producing both the Discount Card and the decal that would be distributed to participating businesses is estimated to cost \$1,711,000. However, this estimate is based on the assumption that every eligible person will apply for the card; the likelihood of this occurring is minimal. Approximately 2,600 individuals will become eligible annually (because of their age) following implementation.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: *Golden Hoosier Passport:* This bill provides that a resident who is eligible for a license plate for a veteran with a disability is eligible to receive the Golden Hoosier Passport at no charge. The current fee for an annual pass is \$24.

The Bureau of Motor Vehicles issued 6,032 licenses to individuals who qualified for license plates for veterans with disabilities (DAV) in 2003 [Note: This fiscal note will be updated when additional information becomes

available]. The BMV could not identify the number of individuals over age 65 who qualified for the plate and are therefore already eligible to purchase the Golden Hoosier Passport for \$12 under the existing program. Age distributions of the veteran population indicate that about 35% are age 65 or older. If this distribution is applicable to the individuals who qualify for DAV license plates, the Department of Natural Resources would have reduced revenues as much as \$119,436. However this estimate assumes that all eligible persons would have elected to purchase the pass otherwise.

Revenue collected from the sale of the Golden Hoosier Passports fund operations of the Department of Natural Resources.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Disability, Aging, and Rehabilitative Services, and the Department of Natural Resources.

Local Agencies Affected: Area Agencies on Aging.

Information Sources: U.S. Census Bureau; Indiana Business Research Center, <http://www.ibrc.indiana.edu/>; The Women's Research & Education Institute, <http://www.wrei.org>; Family and Social Services Administration, Division of Disability, Aging, and Rehabilitative Services; Marilyn Cage, Legislative Liaison, Bureau of Motor Vehicles; Douglas Beebe, FSSA, 232-7125.

Fiscal Analyst: Sarah Brooks, 317-232-9559.